

Deteriorating Financial Condition of SEBs

† 1277. SHRI P.K.. MAHESHWARI: Will the Minister of POWER be pleased to state:

(a) whether Government's attention has been drawn to the continuously deteriorating financial condition of various Electricity Boards;

(b) whether Power Finance Corporation have found the rate of return of these Boards negative as against the minimum three per cent rate of return expected on the invested capital of these Electricity Boards;

(c) if so, the State-wise details thereof; and

(d) whether PFC has set terms and conditions for providing financial support to these Electricity Boards?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTIMEHTA): (a) Yes, Sir.

(b) and (c) Most of the State Electricity Boards are not able to earn a minimum Rate of Return (ROR) of 3% on their net fixed assets, as required under the Electricity (Supply) Act, 1948. The SEBs collectively showed negative Rate of Return (without subsidy) of (-) 19% on capital during 1999-2000. The state-wise position on ROR is given in the Statement-I (*See below*)

(d) The eligibility criteria for providing financial assistance to the State Power Sector as per PFC's Operational Policy Statement consist of:

- Entity related criteria
- Project/scheme related criteria

The details of the scheme are given in Statement-II (*See below*)

However, the criteria can be relaxed in the case of States entering into MoU with the Government of India on power sector reforms. Further, the funding under the Accelerated Power Development Programme is conditional on the beneficiary State agreeing to undertake reforms.

† Original notice of the question was received in Hindi

[7th March,2001]

RAJYASABHA

Statement-I

Rate of return on capital

(without subsidy)

(%)

SEBs	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	Actual	Actual	Actual	Actual	Actual	Provi.	(RE)	(AP)
Andhra	-0.20	-0.60	-22.30	-28.80	-21.80	-33.95	-50.15	-56.66
Assam	-43.30	-47.30	-25.70	-32.10	-25.39	-38.88	-28.02	-29.39
Bihar	-20.00	-12.70	-19.00	-12.90	27.57	32.66	35.29	34.36
Delhi(DVB)	-26.20	NA	NA	-29.90	-27.75	-28.58	-32.52	-23.30
Gujarat	-16.50	-14.60	-14.30	-24.90	-25.70	-27.83	-30.16	-34.51
Haryana	-26.10	-31.20	-27.90	-31.80	-38.35	-47.79	-33.27	-31.34
H. Pradesh	0.50	-14.90	-2.50	2.60	3.34	1.58	-4.56	-0.48
J. & Kashmir	-39.10	-50.10	-51.70	-48.20	-56.65	-60.00	-51.64	-24.07
Karnataka	-2.00	-0.20	-11.40	-29.40	-36.16	-17.00	-27.09	-14.24
Kerala	-11.40	-13.40	-17.90	-24.10	-19.11	-17.05	-9.44	-19.29
M. Pradesh	-14.60	-9.60	-13.50	-14.30	-10.99	-23.04	-30.47	-48.18
Maharashtra	3.10	3.10	4.10	-5.30	-1.20	-0.14	1.37	2.22
Meghalaya	-7.90	-4.00	-6.90	-9.60	74.92	140.68	48.84	89.27
Orissa	-8.70	-13.50	-10.20	-21.50	-17.57	-14.85	-21.44	-8.61
Punjab	-19.90	-20.90	-19.40	-21.10	-18.27	-33.21	-46.76	-29.93
Rajasthan	-15.40	-17.90	-19.10	-16.00	-10.36	-13.81	-20.07	-21.92
Tamil Nadu	-8.80	-9.70	-0.10	-1.90	-5.40	-5.23	-14.19	-11.01
Uttar Pradesh	-16.70	-17.80	-12.20	-9.60	-14.09	-13.21	-13.47	-12.88
West Bengal	-35.30	-29.70	-42.20	-56.10	-41.00	-45.34	-58.50	-45.26
Average.	-12.70	-12.30	-13.10	-16.40	-14.67	-16.79	-58.50	-18.98

Statement-II

Details of schemes for providing financial assistance to the State Power Sector as per PFCs Operational Policy Statement

Entity related criteria:

- * Availability of Exposure Limits as per PFC policy
- * The utilities should have achieved a minimum ROR on net fixed assets of 5% or Return on Equity of 12% for the year preceding to the immediately previous financial year; and

- * The utility should not be in default to PFC.

Project/Scheme related criteria:

Financial assistance is provided to those projects/schemes which meet the following criteria:—

- * are techno-economically sound with Financial or Economic Rate of Return of not less than 12% (as may be applicable);
- * are feasible and technically sound and provide optimal cost solutions for the selected alternative;
- * are compatible with integrated power development and expansion plans of State/Region/Country;
- * compliance to environmental guidelines, standards and conditions;
- * schemes should have obtained the required clearances;
- * all inputs required for the implementation and operation of the projects are tied up and proper procurement and implementation plans have been drawn up.

In case of environmental upgradation, meter installation, load despatch, computerisation and communication, R&D and non-conventional energy projects, the rate of return of 12% i.e. (economic or financial) may not be insisted upon.

Power theft in the country

1278. PROF. M. SANKARALINGAM: Will the Minister of POWER be pleased to state:

- (a) the amount of national loss incurred due to power thefts in the country for the last five years, State-wise;
- (b) the steps suggested by the Review Committee in this regard; and
- (c) whether Government have formulated any policy to prevent power thefts?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTIMEHTA): (a) to (c) The national loss due to theft of power is not available separately. The percentage Transmission & Distribution losses including losses due to technical reasons and unaccounted losses being assessed by the concerned State Electricity Boards/Electricity Departments from the year 1992-93 to 1997-98 are given in the statement (*See below*).